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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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DONNA COLEMAN GREGG
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July 30, 1993

Mr. William F. Caton
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: Notification of Permitted Ex Parte Presentation
MM Docket No. 92-266

Dear Mr. Caton:

Star Cable Associates, by its attorney and pursuant to Section 1.1206(a)(1)-(a)(2) of the Commission's rules, hereby submits an original and two copies of this memorandum regarding a permitted ex parte presentation to Commission officials regarding MM Docket No. 92-266.

Today at 11:00 a.m., the undersigned and Peter D. Ross of Wiley, Rein & Fielding, along with James Roddey, Michael Haislip, and Matt Polka of Star Cable Associates, met with Byron Marchant and James Coltharp of Commissioner Barrett's staff. The discussion related to the written ex parte presentation attached hereto, as well as proposals included in the Coalition of Small System Operators' Petition for Reconsideration of the Commission's Report and Order in MM Docket 92-266.

Kindly direct any questions regarding this matter to the undersigned.

Respectfully submitted,

Donna C. Gregg

Donna C. Gregg

PDR/lar
Attachments
cc: Byron Marchant
James Coltharp

No. of Copies rec'd 0+1
List A B C D E

STAR CABLE ASSOCIATES

100 Greentree Commons
381 Mansfield Avenue
Pittsburgh, PA 15220
Telephone (412) 937-0099
Telefax (412) 937-0145

OUR COMPANY

* Star Cable Associates is a small, rural cable system operator serving a total of 162 community units in South Carolina, North Carolina, Louisiana, Virginia, Texas and Ohio.

* Star Cable serves a total of 61,000 customers from 60 headends, thus averaging just over 1,000 customers per headend.

* Since 1987, Star Cable has constructed over 2,500 miles of cable plant in areas with an average density of just 22 homes per mile -- communities which neighboring cable operators had declined to serve even after rate deregulation under the 1984 Cable Act because of the daunting economics of building low-density systems.

OUR PURPOSE

* Rather than just complaining about the impending rate regulations, Star Cable would like to respond to the Commission's public call for constructive suggestions to tailor its benchmark/price cap mechanism in a way that reasonably reduces the administrative burden and disproportionate impact of regulation on small and more rural cable systems.

OUR PROPOSAL

* Cable operators serving communities with densities significantly below average should be allowed an add-on to their benchmark/price cap-generated rate to offset at least in part the greater investment and expense per subscriber of serving low-density communities.

THE RESULT

* Cable operators would be better able to cover the disproportionate cost of serving rural America without having to pursue cost-of-service proceedings neither they nor the Commission (or local regulators) can much afford.

* At the same time, only a small percentage of cable subscribers nationwide would see even the moderate adjustment to benchmark rates contemplated by this proposal.

STAR CABLE ASSOCIATES

DENSITY DRIVES CABLE ECONOMICS

The most significant factor in cable system economics is density. At very low densities of 30 homes per mile or less, there is a large increase in capital investment per customer and certain plant expenses per customer. Some of the more significant density variables are as follows:

- Initial Capital Investment
  - Distribution System

    The cost to build a mile of cable plant varies little from rural to suburban areas. This is by far the largest portion of a system's capital investment (over 75% in a rural system). There is a direct relationship between density and cost per customer. If one system is half as dense as another, the distribution investment per customer doubles.

  - Head-end Investment

    In the typical scenario attached, the rural operator needs nine head-ends to serve the same number of customers a suburban operator services from one head-end. At a cost of over $100,000 each, the cost differential per customer is substantial.

- Technical Expenses That Are Driven By Plant Miles.
  - Pole Rent, Property Taxes and System Powering Expense

    These expenses are relatively constant on a per mile basis, no matter how many customers are in that mile. The cost per customer rises as density decreases.

  - Technical Personnel and Related Expenses

    While customer levels are a major factor in determining technical staffing levels, in rural areas additional technicians are needed due to travel times and the need to maintain more plant miles. A practical limit is 100 plant miles per technician.

July 28, 1993

STAR CABLE ASSOCIATES

IMPACT OF LOW DENSITY ON CAPITAL INVESTMENT AND EXPENSES

	Rural Density System (22 HPM) (000)	Large Operator Urban Density System (67 HPM) (000)	Comments
Gross Investment:			
Distribution System	$10,470	$3,225	Three times as many plant miles in a rural system ($15,000/mile).
Head-end	1,100	123	Nine head-ends vs. one.
Vehicles	155	135	One less technical vehicle.
Other	1,805	1,805	
Total	$13,530	$5,288	Capital investment is 2.5 times as high in a rural area.
Investment/Customer	$ 1,458	$ 570	
Expenses:			
Payroll	$ 460	$ 468	The rural requirement for an extra technician but is offset by 10-20% higher wages in urban areas.
Plant	477	206	More rural plant miles mean higher costs for system power, pole rent and property taxes.
Service	933	877	Significantly lower programming costs for large operator. Copyright increases in suburban system due to larger head-end size.
G & A	149	138	Office rent is 72% higher in suburban areas but long distance telephone charges are much lower.
Marketing	26	26	
Subtotal	$ 2,045	$1,715	This is a 19.2% differential in operating expenses for rural systems.
Depreciation	1,278	588	Based on investment differences shown above. Detail is attached.
Total	$ 3,323	$2,303	This is a 44% differential in total expenses for rural systems.

NOTE: This is a summary comparison of our rural Ohio system at 22 homes per mile vs. a more suburban system with the national average density of 67 homes per mile. Both systems have the same number of customers (9,279 at year-end).

STAR CABLE ASSOCIATES

IMPACT OF DENSITY ON CABLE PLANT DEPRECIATION (PER BASIC CUSTOMER)

Homes/Mile	Customers/ Mile @ 60%	Depreciation Differential/ Customer/Month
63	37.75[1]	--
58	35	$ .22
50	30	$ .71
42	25	$ 1.41
33	20	$ 2.45
25	15	$ 4.19

[1]Average customers per mile from the FCC database.

Note:
Information is taken from the Petition for Reconsideration filed on behalf of the Coalition of Small System Operators.

July 28, 1993

STAR CABLE ASSOCIATES

COMPARISON OF BENCHMARK RATES TO POTENTIAL COST-OF-SERVICE RATES

Current System Rate[1]	$23.62
Benchmark Rate[1]	$20.82
Cost-of-Service Rate (est.)[2]	$32.47

[1]Includes equipment charges

[2]Conservatively estimated using no intangibles, no income taxes and an 11.25% return on net assets.

Note:

For this type system there is a large gap between the benchmark rate and the cost-of-service rate. An allowance for depreciation as shown on the prior page would conservatively meet the need for relief while still remaining well within cost-of-service boundaries.

July 28, 1993

STAR CABLE ASSOCIATES

FCC PRESENTATION

SUPPORTING MATERIALS

JULY 30, 1993

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July 28, 1993

SUPPORTING MATERIALS

Star Cable Associates

Impact on Head-end
Depreciation of Head-end Size

Head-end Size	Add-on Fixed Costs/ Customer	Add-On	
		Per Satellite Channel	Per Off-Air Channel
5,000	–	–	–
2,500	$ .029	$ .006	$ .003
1,000	$ .117	$ .023	$ .011
750	$ .166	$ .033	$ .015
500	$ .264	$ .052	$ .024
250	$ .558	$ .110	$ .051
100	$1.439	$ .283	$ .131
50	$2.907	$ .571	$ .264

250 sub system - 6 off-airs and 19 cable channels

Star Cable Associates

Gross Asset Summary – Rural vs Average
(000's)

	Rural	Average
Distribution System ($15M/mi)	$10,470	$ 3,225
Head-end		
Fixed Cost ($35M each)	315	35
Per Channel Costs	785	88
Vehicles	155	135
Installation ($80/drop)	960	960
Converters	275	275
Tools/Equipment/Computers	130	130
Initial Marketing	390	390
Furniture and Fixtures	50	50
Gross Assets	$13,530	$5,288
Investment/Customer	$ 1,458	$ 570

July 8, 1993

Star Cable Associates

Head-end Capital Costs

Fixed Costs

Building	$ 3,500
Fence (100 x 100 @ $9 per foot)	3,600
Tower (60 foot)	15,000
Satellite Antennas (4 ea @ $3,000 installed)	12,000
Air Conditioner	900
Total	$35,000

Variable Costs/Channel

Satellite Channels	
IRD Receiver	$ 1,800
Modulator	1,200
Miscellaneous	100
Total	$ 3,100

Off-air Channels	
Processor	$ 1,100
Antenna	400
Miscellaneous	100
Total	$ 1,600

July 2, 1993

Star Cable Associates

Depreciation Schedule -- Average Density

	Gross Asset	Useful Life	Depreciation Expense 1989	1990	1991	1992	1993	1994	1995
Distribution System	$3,225	12	$ 134	$ 268	$ 268	$ 268	$ 268	$ 268	$ 268
Head-end									
Fixed Costs	35	20	1	2	2	2	2	2	2
Per Channel Costs	88	10	4	9	9	9	9	9	9
Vehicles[1]	135	3	22	45	45	22	22	45	45
Installation	960	7	69	137	137	137	137	137	137
Converters	275	7	20	40	40	40	40	40	40
Tools/Equipment/Computers[2]	130	5	13	26	26	26	26	13	13
Initial Marketing	390	5	39	78	78	78	78	39	
Furniture and Fixtures	50	10	2	5	5	5	5	5	5
Total	$5,288		$ 304	$ 610	$ 610	$ 588	$ 588	$ 588	$ 519
Net Book Value @ Year End			$4,984	$4,374	$3,764	$3,176	$2,723	$2,165	$1,776

[1]Replaced in 1993 @ $135M

[2]Replaced in 1995 @ $130M

July 2, 1993

Star Cable Associates

Depreciation Schedule -- Rural Density

	Gross Asset	Useful Life	Depreciation Expense 1989	1990	1991	1992	1993	1994	1995
Distribution System	$10,470	12	$ 436	$ 872	$ 872	$ 872	$ 872	$ 872	$ 872
Head-end									
Fixed Costs	315	20	8	16	16	16	16	16	16
Per Channel Costs	785	10	39	78	78	78	78	78	78
Vehicles[1]	155	3	26	52	52	26	26	52	52
Installation	960	7	69	137	137	137	137	137	137
Converters	275	7	20	40	40	40	40	40	40
Tools/Equipment/Computers[2]	130	5	13	26	26	26	26	13	13
Initial Marketing	390	5	39	78	78	78	78	39	
Furniture and Fixtures	50	10	2	5	5	5	5	5	5
Total	$13,530		$ 652	$ 1,304	$ 1,304	$1,278	$1,278	$1,252	$1,213
Net Book Value @ Year End			$12,878	$11,574	$10,270	$8,992	$7,869	$6,617	$5,534

[1]Replaced in 1993 @ $135M

[2]Replaced in 1995 @ $130M

July 2, 1993

Star Cable Associates

Head-end Depreciation Expense

Head-end Size	Depreciation/ Customer-Fixed Costs[1]	Depreciation/Customer/Channel Satellite Channels[2]	Depreciation/Customer/Channel Off-Air Channels[3]
5,000	$ .0294	$ .0058	$ .0027
2,500	$ .0587	$ .0115	$ .0053
1,000	$ .1468	$ .0288	$ .0133
750	$ .1958	$ .0384	$ .0178
500	$ .2937	$ .0577	$ .0267
250	$ .5873	$ .1153	$ .0533
100	$1.4683	$ .2883	$ .1333
50	$2.9366	$ .5766	$ .2667

[1] 20 year straight line depreciation of $35,000 of fixed costs.

[2] 10 year straight-line depreciation of $3,100 of costs per channel.

[3] 10 year straight-line depreciation of $1,600 of costs per channel.

July 8, 1993

Star Cable Associates

Reconciliation of Rural and Average Density Expenses
(000's)

Payroll	
Rural Density System	$ 460
One less technician	(14)
10% higher tech wages	12
20% higher office wages	14
Payroll taxes	(4)
Average Density System	$ 468
Plant	
Rural Density System	$ 477
Plant electric	(125)
Property Taxes	(56)
Pole Rent	(71)
R&M – Headend equipment	(10)
Vehicle Expenses	(12)
Capitalization	3
Average Density System	$ 206
Service	
Rural Density System	$ 933
Copyright	94
Average Density System	$1,027
G&A	
Rural Density System	$ 149
Office Rent	13
Telephone	(24)
Average Density System	$ 138

Note: This analysis shows all of the changes made to convert the Rural Density System to an Average Density System.

July 8, 1993

OHIO - URBAN

STAR CABLE
OH08 OHIO URBAN LARGE OPERATOR

STAR CABLE IV

1993 BUDGET
OPERATING SUMMARY

REPORT 101-A
28-Jul-93

	1992								1993							
OPERATING SUMMAR	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	% REV	BUDGET	VARIANCE	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	% REV	INCREASE	%
PLANT MILES.....	691.0	691.0	691.0	698.0	698.0		692.0	6.0	215.0	215.0	215.0	215.0	215.0		(483.0)	-69%
HOMES PASSED.....	14,321	14,321	14,305	14,291	14,291		14,244	47	14,441	14,441	14,441	14,441	14,441		150	1%
BASIC CUSTOMERS..	8,599	8,762	8,775	8,870	8,870		8,763	107	9,030	9,078	9,155	9,279	9,279		409	5%
PENETRATION.....	60.0%	61.2%	61.3%	62.1%	62.1%		61.5%	0.5%	62.5%	62.9%	63.4%	64.3%	64.3%		2.2%	
PAY UNITS.....	5,168	5,204	5,150	5,095	5,095		5,000	95	5,164	5,224	5,262	5,319	5,319		223	4%
PENETRATION.....	60.1%	59.4%	58.7%	57.4%	57.4%		57.1%	0.4%	57.2%	57.5%	57.5%	57.3%	57.3%		-0.1%	
REVENUES: BASIC	$503,493	$508,039	$520,349	$527,544	$2,059,425	70.4%	$2,010,164	$49,261	$568,105	$571,666	$599,316	$635,546	$2,374,633	71.9%	$315,208	15%
PAY	$149,136	$145,726	$141,676	$138,867	$575,405	19.7%	$595,149	($19,744)	$140,935	$140,499	$141,763	$143,028	$566,225	17.1%	($9,180)	-2%
OTHER	$74,041	$71,747	$72,332	$74,307	$292,427	10.0%	$282,296	$10,131	$86,955	$90,901	$91,984	$93,625	$363,464	11.0%	$71,037	24%
TOTAL.....	$726,670	$725,512	$734,357	$740,718	$2,927,257	100%	$2,887,609	$39,648	$795,995	$803,065	$833,063	$872,199	$3,304,322	100%	$377,065	13%
EXPENSES: PAYROLL	$111,976	$132,085	$107,198	$104,454	$455,713	15.6%	$454,286	$1,427	$116,732	$115,343	$116,984	$118,458	$467,527	14.1%	$11,814	3%
PLANT	$116,476	$113,810	$113,209	$109,734	$453,229	15.5%	$465,643	($12,414)	$51,589	$51,589	$51,589	$51,589	$206,355	6.2%	($246,874)	-54%
SERVICE	$206,041	$211,395	$211,461	$215,169	$844,066	28.8%	$872,023	($27,957)	$216,104	$217,554	$220,274	$223,411	$877,343	26.6%	$33,277	4%
G&A	$33,987	$38,034	$33,166	$35,568	$140,757	4.8%	$137,277	$3,480	$34,442	$34,356	$35,060	$34,552	$138,410	4.2%	($2,347)	-2%
MKTG	$5,889	$4,592	$1,207	$2,000	$13,688	0.5%	$28,676	($15,188)	$7,070	$5,105	$6,855	$6,851	$25,882	0.8%	$12,194	89%
TOTAL.....	$474,369	$499,916	$466,243	$466,925	$1,907,453	65.2%	$1,958,105	($50,652)	$425,936	$423,947	$430,772	$434,861	$1,715,517	51.9%	($191,936)	-10%
NET OP INCOME.....	$252,301	$225,596	$268,114	$273,793	$1,019,804		$929,504	$90,300	$370,058	$379,117	$402,292	$437,337	$1,588,805		$569,001	56%
NET OP MARGIN.....	34.7%	31.1%	36.5%	37.0%	34.8%		32.2%	2.6%	46.5%	47.2%	48.3%	50.1%	48.1%		13.2%	
KEY OPERATING INDICATORS																
REV/SUB/MO.....	$26.17	$27.86	$27.92	$27.99	$27.98		-	-	$29.53	$29.54	$30.51	$31.53	$30.28		$2.30	8%
N.O.I./SUB/MO....	$9.78	$8.66	$10.19	$10.34	$9.74		-	-	$13.73	$13.95	$14.73	$15.81	$14.56		$4.82	49%
BASIC CHURN.....				1.8%	-		-	-	1.5%	1.5%	1.5%	1.5%	1.5%			
PLANT EMPLOYEES..	6	6	6	6.0	6.0		0.0	6.0	6.0	6.0	6.0	6.0	6.0		0.0	0%
G&A EMPLOYEES....	6	6	6	6.0	6.0		0.0	6.0	6.0	6.0	6.0	6.0	6.0		0.0	0%
BAS SUBS/EMPL....	717	730	731	739	-		-	-	753	757	763	773	773		34	5%
MILES/PLANT EMPL	115	115	115	116	-		-	-	36	36	36	36	36		(81)	-69%
PLANT EXP/MILE...	$56	$55	$55	$55	$55		-	-	$66	$60	$60	$60	$60		$25	45%
PLANT EXP/SUB....	$4.52	$4.37	$4.30	$4.34	$4.38		-	-	$1.91	$1.90	$1.89	$1.88	$1.89		($2.49)	-57%
BAD DEBT/REV.....				0.8%	-		-	-	0.8%	0.8%	0.8%	0.8%	0.8%			
BASIC PROG/SUB...				$3.23	-		-	-	$2.65	$2.67	$2.69	$2.69	$2.66			
PAY PROG/PAY REV.				53%	-		-	-	44%	44%	44%	44%	44%			
MKTG EXP/CONNECT.				$4	-		-	-	$6	$5	$6	$6	$6			

STAR CABLE
OH08 OHIO URBAN LARGE OPERATOR

OPERATING BUDGET

BASIC SUBSCRIBERS

REPORT 301
28-Jul-93

	9-30-92	4Q 92	JAN 93	FEB 93	MAR 93	APR 93	MAY 93	JUN 93	JUL 93	AUG 93	SEP 93	OCT 93	NOV 93	DEC 93	TOTAL
HOMES PASSED/MILES															
* PLANT MILES-Aerial	656.5	658.5	204.0	204.0	204.0	204.0	204.0	204.0	204.0	204.0	204.0	204.0	204.0	204.0	
* -U/G	34.5	39.5	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	
-Total	691.0	698.0	215.0	215.0	215.0	215.0	215.0	215.0	215.0	215.0	215.0	215.0	215.0	215.0	
* HOMES PASSED	14,305	14,291	14,441	14,441	14,441	14,441	14,441	14,441	14,441	14,441	14,441	14,441	14,441	14,441	

HOMES TO BE MARKETED	9-30-92	4Q 92	JAN 93	FEB 93	MAR 93	APR 93	MAY 93	JUN 93	JUL 93	AUG 93	SEP 93	OCT 93	NOV 93	DEC 93	TOTAL
* NEW MKT RELEASES		69	0	0	0	0	0	0	0	0	0	0	0	0	0
* HOMES MARKETED		69	0	0	0	0	0	0	0	0	0	0	0	0	0
* SELL-IN PENETRATION		55.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
ENDING INVENTORY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

BASIC CUSTOMERS	9-30-92	4Q 92	JAN 93	FEB 93	MAR 93	APR 93	MAY 93	JUN 93	JUL 93	AUG 93	SEP 93	OCT 93	NOV 93	DEC 93	TOTAL
CONNECTS: NEW MKT		38	0	0	0	0	0	0	0	0	0	0	0	0	0
* OTHER		522	131	135	155	155	155	132	132	160	180	180	175	170	1,860
TOTAL		560	131	135	155	155	155	132	132	160	180	180	175	170	1,860
DISCONNECTS: TOTAL		465	131	131	131	131	131	132	132	132	132	133	134	134	1,581
* CHURN %		1.8%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	
NET GAIN:		95	(0)	4	24	24	24	0	0	28	48	47	41	36	278
END OF MONTH.....	8,605	8,700	8,700	8,705	8,729	8,753	8,777	8,777	8,778	8,806	8,854	8,901	8,943	8,978	
* COMMERCIALS	170	170	301	301	301	301	301	301	301	301	301	301	301	301	
TOTAL BASIC SUBS.....	8,775	8,870	9,001	9,006	9,030	9,054	9,078	9,078	9,079	9,107	9,155	9,202	9,244	9,279	
AVERAGE SUBSCRIBERS		8,823	8,936	9,004	9,018	9,042	9,066	9,078	9,078	9,093	9,131	9,178	9,223	9,262	
BASIC PENETRATION	61.3%	62.1%	62.3%	62.4%	62.5%	62.7%	62.9%	62.9%	62.9%	63.1%	63.4%	63.7%	64.0%	64.3%	

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PAY SUBSCRIBERS

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	9-30-92	4Q 92	JAN 93	FEB 93	MAR 93	APR 93	MAY 93	JUN 93	JUL 93	AUG 93	SEP 93	OCT 93	NOV 93	DEC 93	TOTAL
TOTAL PAY UNITS															
* PAY/BASIC NEW MARKET SELL-IN %		55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	
CONNECTS-NEW MKT		21	0	0	0	0	0	0	0	0	0	0	0	0	0
* CONNECTS-ALL OTHER		588	155	155	160	165	200	205	210	215	225	225	225	225	2,385
TOTAL CONNECTS		609	155	155	160	165	200	205	210	215	225	225	225	225	2,385
DISCONNECTS		612	176	176	177	176	176	177	204	204	204	205	206	207	2,293
* CHURN %		4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
NET GAIN		(3)	(23)	(23)	(17)	9	24	28	6	11	21	20	19	18	92
END OF MONTH	5,098	5,095	5,072	5,049	5,033	5,041	5,065	5,093	5,099	5,110	5,131	5,150	5,169	5,188	
COMMERCIALS	0	0	131	131	131	131	131	131	131	131	131	131	131	131	
TOTAL PAY UNITS	5,098	5,095	5,203	5,180	5,164	5,172	5,196	5,224	5,230	5,241	5,262	5,281	5,300	5,319	
AVERAGE UNITS		5,097	5,149	5,192	5,172	5,168	5,184	5,210	5,227	5,235	5,251	5,272	5,291	5,309	
PAY/BASIC PENE	58.1%	57.4%	57.8%	57.5%	57.2%	57.1%	57.2%	57.5%	57.6%	57.5%	57.5%	57.4%	57.3%	57.3%	

PAY UNIT BREAKDOWN (Residential Units)	9-30-92	4Q 92	JAN 93	FEB 93	MAR 93	APR 93	MAY 93	JUN 93	JUL 93	AUG 93	SEP 93	OCT 93	NOV 93	DEC 93	TOTAL
% OF TOTAL PAY															
HBO	36.8%	36.5%	36.6%	36.9%	36.9%	36.9%	36.7%	36.7%	36.7%	36.6%	36.4%	36.2%	36.1%	36.0%	-0.5%
* SHOWTIME	15.7%	16.5%	16.5%	16.5%	16.5%	16.5%	16.7%	16.7%	16.7%	16.7%	16.8%	16.8%	16.8%	16.8%	0.3%
* CINEMAX	29.2%	27.5%	27.1%	25.9%	25.9%	25.9%	25.7%	25.7%	25.7%	25.6%	25.6%	25.7%	25.8%	25.8%	-1.7%
* TMC	0.0%	2.8%	3.1%	4.0%	4.0%	4.0%	4.2%	4.2%	4.2%	4.4%	4.5%	4.5%	4.5%	4.5%	1.7%
* DISNEY	16.3%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.7%	16.8%	16.8%	16.9%	0.2%
* REGIONAL SPORTS.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
* TIGERVISION	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
* OTHER 1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
* OTHER 2	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%
EOM PAY UNITS															
HBO (Residential)	1,874	1,860	1,856	1,863	1,857	1,860	1,859	1,869	1,871	1,870	1,868	1,864	1,866	1,868	8
SHOWTIME	800	841	837	833	830	832	846	850	852	853	862	865	868	872	31
CINEMAX	1,489	1,401	1,374	1,306	1,303	1,306	1,302	1,309	1,310	1,306	1,313	1,324	1,334	1,338	(63)
TMC	0	143	157	202	201	202	213	214	214	225	231	232	233	233	91
DISNEY	935	851	847	843	840	842	846	850	852	853	857	865	868	877	26
REGIONAL SPORTS.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TIGERVISION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
* COMMERCIALS	0	0	131	131	131	131	131	131	131	131	131	131	131	131	131
	5,098	5,095	5,203	5,180	5,164	5,172	5,196	5,224	5,230	5,241	5,262	5,281	5,300	5,319	223

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OTHER SUBSCRIBERS

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OTHER SUBSCRIBERS	9-30-92	4Q 92	JAN 93	FEB 93	MAR 93	APR 93	MAY 93	JUN 93	JUL 93	AUG 93	SEP 93	OCT 93	NOV 93	DEC 93	Net Change
FAMILY TIER CUSTOMERS															
* % OF BASIC		99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	0.0%
END OF MONTH.....	8,720	8,692	8,692	8,696	8,720	8,745	8,768	8,769	8,769	8,797	8,845	8,892	8,934	8,969	278
AVERAGE.....		8,706	8,692	8,694	8,708	8,732	8,756	8,768	8,769	8,783	8,821	8,869	8,913	8,952	
ADDITIONAL OUTLETS															
* % OF BASIC		21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	21.9%	0.0%
END OF MONTH.....	1,895	1,943	1,971	1,972	1,978	1,983	1,988	1,988	1,988	1,994	2,005	2,015	2,024	2,032	90
AVERAGE.....		1,919	1,957	1,972	1,975	1,980	1,985	1,988	1,988	1,991	2,000	2,010	2,020	2,028	
REMOTE CUSTOMERS															
* % OF BASIC		7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	0.0%
END OF MONTH.....	701	665	675	675	677	679	681	681	681	683	687	690	693	696	31
AVERAGE.....		683	670	675	676	678	680	681	681	682	685	688	692	695	
GUIDE CUSTOMERS															
* % OF BASIC		19.5%	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%	19.5%	0.0%
END OF MONTH.....	1,676	1,730	1,755	1,756	1,761	1,766	1,770	1,770	1,770	1,776	1,785	1,794	1,802	1,809	80
AVERAGE.....		1,703	1,742	1,756	1,759	1,763	1,768	1,770	1,770	1,773	1,781	1,790	1,798	1,806	
OTHER ANCILLARY CUSTOMERS															
* % OF BASIC		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
END OF MONTH.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
AVERAGE.....		0	0	0	0	0	0	0	0	0	0	0	0	0	
CONVERTER RENTAL CUSTOMERS															
* % OF BASIC		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	0.0%
END OF MONTH.....	464	444	450	450	452	453	454	454	454	455	458	460	462	464	20
AVERAGE.....		454	447	450	451	452	453	454	454	455	457	459	461	463	
LATE CHARGE CUSTOMERS															
* % OF BASIC		13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	0.0%
END OF MONTH.....		1,153	1,170	1,171	1,174	1,177	1,180	1,180	1,180	1,184	1,190	1,196	1,202	1,206	53